

July 13, 2001

Michael Moore, Presiding Commissioner  
Lancaster Energy Facility #1  
Application for Certification

California Energy Commission  
1516 Ninth Street  
Sacramento, CA 95814

## **RE: Docket No. 01-EP-12 (Lancaster Energy Facility #1)**

Dear Commission Moore and Members of the Commission:

The Planning and Conservation League opposes the approval of the Application for Certification for the Lancaster Energy Facility #1, on the grounds that the facility cannot obtain a legal Authority to Construct permit from the Antelope Valley Air Pollution Control District in time for the facility to commence operation by September 30, 2001.

The Antelope Valley APCD has published a Preliminary Determination of Compliance (PDOC) for the facility and is circulating it for public review. The PDOC also serves as the draft Authority to Construct for the project.

There are fundamental flaws in the PDOC that prohibit the District from issuing an Authority to Construct permit for the facility. The District must correct these deficiencies and re-circulate an amended PDOC for a new 30-day public comment period. Because the facility must be operational by September 30, 2001 in order to be eligible for the 21-day expedited certification process, it is not possible for the facility to obtain a valid permit from the APCD and to construct the facility by the September 30<sup>th</sup> cut-off date.

The PDOC being circulated by the Antelope Valley APCD contains several fatal flaws. First, the document states that the facility will begin operations at 25 ppm NO<sub>x</sub>. The information provided about maximum emissions, however, does not reflect that level of operation. For example, the PDOC states that maximum daily NO<sub>x</sub> emissions would be 647 pounds per day, when, in fact, NO<sub>x</sub> emissions in the initial stage of operation would be 3.18 **tons** per day, or ten times the emissions levels stated in the permit.

The initial NO<sub>x</sub> emissions from this facility would pose a serious threat to public health and the environment. NO<sub>x</sub> emissions are significant contributors to ozone formation. The long-term health consequences of exposure to excessive air pollution are well documented. A recent study released by the University of California made clear that even short-term exposures to NO<sub>x</sub> emissions can permanently impair children's lung capacity. Increased air pollution has been associated with increases in asthma attacks and other respiratory problems, and several studies indicate that the risk of heart attack and death from coronary problems rise dramatically during periods of high pollution.

Because the community was not notified of the actual NOx emissions from the facility in its initial phase, it could not adequately assess the public health and environmental impacts of the project. The PDOC must be re-circulated for an additional 30-day comment period in order to provide appropriate notice to the community.

Second, the PDOC states that short-term BACT for an emergency peaking power plant is defined as 25 ppmv NOx (PDOC, page 3). There is no such thing as short-term BACT for emergency peakers. Under Title V of the federal Clean Air Act and its New Source Review program, any major new stationary source of air pollution that is constructed in a non-attainment area must employ state-of-the-art pollution control equipment. For this facility, that would require that the plant emit no more than 5ppm NOx. The APCD may not issue a permit for a facility that does not meet the applicable BACT requirement.

Finally, the PDOC is incorrect as to the amount of offsets the facility would require, and lacks sufficient detail about how those offsets would be obtained. The chart showing the necessary emissions offsets shows 153 tons per year of NOx. This is the number necessary for the facility if operating at 2.5 ppm NOx. If, as proposed by the PDOC, the facility operated for twelve months at 25ppm NOx, the necessary offsets would be 1,530 tpy for the first year. The PDOC does not indicate how the facility intends to obtain such a large quantity of NOx offsets. That amount is far above the allocation the facility could receive from the State Funded Emission Reduction Credit Bank, or from inter-district trading. Nor does the PDOC indicate that the South Coast Air Quality Management District has consented to allow the inter-district trade of such a large quantity of offsets, even though the consent of both the AVAPCD and the SCAQMD is required under the law.

It is clear that there are serious defects in the proposed air permit for the Lancaster Energy Facility. Those defects must be corrected and the permit re-circulated for public comment. Unless the facility can show that it can meet the BACT requirements of federal law, it cannot operate. These issues make it impossible for the facility to begin operation by September 30. Therefore, we request that Commission deny the Application for Certification in this case.

Sincerely,

Sandra Spelliscy  
General Counsel  
Planning and Conservation League  
926 J Street # 612  
Sacramento, CA 95814  
916.313.4513  
sas@pcl.org